

## **2005 DRAFTING REQUEST**

### **Bill**

Received: **11/29/2004**

Received By: **mkunkel**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Council - LRC**

By/Representing: **Nick Zavos**

This file may be shown to any legislator: **NO**

Drafter: **mkunkel**

May Contact:

Addl. Drafters:

Subject: **Fin. Inst. - banking inst.**

Extra Copies:

Submit via email: **YES**

Requester's email: **laura.rose@legis.state.wi.us**

Carbon copy (CC:) to:

---

### **Pre Topic:**

No specific pre topic given

---

### **Topic:**

Wisconsin Credit Union Savings Insurance Corporation

---

### **Instructions:**

See Attached

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### **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mkunkel 12/29/2004	wjackson 01/25/2005		_____ _____			
/P1			jfrantze 01/25/2005	_____ _____	sbasford 01/25/2005		
/1	mkunkel 12/28/2005	jdyer 12/29/2005	chaugen 01/03/2006	_____ _____	mbarman 01/03/2006	sbasford 01/03/2006	

FE Sent For:

<END>

↳ Not  
Needed

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/P1			jfrantze 01/25/2005		sbasford 01/25/2005		
/1	mkunkel 12/28/2005	jdye 12/29/2005	chaugen 01/03/2006		mbarman 01/03/2006		

for  
Senate  
per  
MDK

FE Sent For:

**<END>**

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May Contact:

Addl. Drafters:

Subject: **Fin. Inst. - banking inst.**

Extra Copies:

Submit via email: **YES**Requester's email: **nicholas.zavos@legis.state.wi.us**

Carbon copy (CC:) to:

**Pre Topic:**

No specific pre topic given

**Topic:**

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**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mkunkel 12/29/2004	wjackson 01/25/2005					
/P1		1/12/29 jld	jfrantze 01/25/2005		sbasford 01/25/2005		

FE Sent For:

&lt;END&gt;

PA.  
Please jacket  
for Senate

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### Pre Topic:

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### Topic:

Wisconsin Credit Union Savings Insurance Corporation


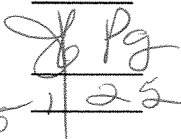
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### Instructions:

See Attached

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### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mkunkel	/pl WLJ 1/25	 1/25	 Pg 1/25			

FE Sent For:

<END>



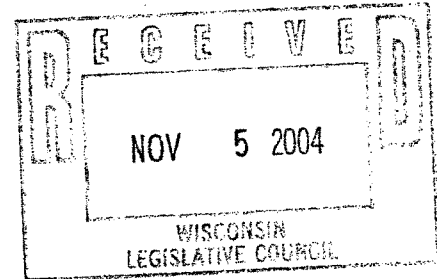
**State of Wisconsin**  
*Department of Financial Institutions*

Jim Doyle, Governor

Lorrie Keating Heinemann, Secretary

November 4, 2004

Mr. Terry C. Anderson, Director  
Joint Legislative Council  
One East Main Street, Suite 401  
P.O. Box 2536  
Madison, WI 53701



Dear Mr. Anderson:

On behalf of the Wisconsin Department of Financial Institutions and the Wisconsin Office of Credit Unions, I am submitting the following recommendations for consideration by the Law Revision Committee during the 2005-2006 session. These submissions are in addition to the previous remedial legislation requests submitted by DFI that are summarized at the end of this memo. There is no fiscal impact to any of the proposed revisions.

*Proposed Revision #1 – Credit Union Services*

Remove “limited service offices outside the state” in Chapter 186.113(1m). Credit unions are now permitted to maintain out-of-state branches.

Current statute 186.113(1m) limits credit unions to limited service offices that were established before November 6, 2003. No such offices exist at this time. The description of branch offices in Chapter 186.113(1) was expanded with 2003 Act 63 to include “branch offices inside or outside of this state.”

*Proposed Revision #2 - Chapter 138 Changes*

1. Amend s.138.09(4) to read that a license can be revoked for any of the listed grounds by changing the word “and” at the end of 138.09(4)(a)2. to “or.”

The necessity of this change is that revocations are based upon separate grounds for each entity. It is impracticable to have an all-inclusive revocation list. The consequence of this is that if a licensed entity pays its license fee, their license can never be revoked for other unethical behavior because paying the fee is one of the listed grounds in s. 138.09 (4).

2. Add authority to bill for loan company examinations to s. 138.09(4)(a).

The authority to charge for an examination was eliminated by mistake when 1997 Act 27 passed. The goal was to eliminate the reference to the consumer credit review board only, which was in s. 138.09(4a) but that is also where the exam authority was as well.

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*Office of the Secretary*

Mail: PO Box 8861 Madison, WI 53708-8861

Voice: (608) 264-7800

Fax: (608) 261-4DFI

Courier: 345 W. Washington Ave. 5<sup>th</sup> Floor Madison, WI 53703

TTY: (608) 266-8818

Internet: [www.wdfi.org](http://www.wdfi.org)

3. Amend s. 138.09 to give the department authority to issue special or general orders against loan companies and insurance premium finance companies.

The division of banking has the authority to issue special or general orders against all entities it licenses except loan companies and insurance premium finance companies. Both loan companies and insurance premium finance companies are licensed with DFI under ss. 138.09 and 138.12, respectively, but currently the division does not have the authority to enforce the provisions for these licensees under 138.09.

#### Proposed Revision #3 – Chapter 220 Authority

Include s.138.12 and s.224 subchapter III under chapter 220. Chapter 220 has several provisions that list all the banking division entities under the authority of the banking administrator. Insurance premium finance companies and mortgage banking have yet to be included.

#### Proposed Revision #4 - Chapter 183 Changes Relating to Reinstatement for LLCs

Revise 183.09025(4) to remove the 30-day limit provision in 183.09025(4)(a). The statute should mirror 180.1422 regarding reinstatement of business corporations which reads, "(1) A corporation that is administratively dissolved may apply to the department for reinstatement."

We are requesting the change so that there is consistency in the law governing reinstatement whether it is a corporation or limited liability company. The 30-day time frame puts on unfair and unnecessary burden on LLC owners who wish to reinstate their business. Additionally it may create unnecessary administrative burdens on the agency in administering remedies.

#### Proposed Revision #5 – Chapter 218 Error

When 218.01(6m) of the statute was renumbered to ss. 218.0143(1) and (2) by 99 Act 31, the meaning was changed significantly. This was not the intent, and the prior meaning should be restored.

Specifically, prior to the change, s. 218.01(6m) indicated that whenever insurance coverage is included on a retail installment contract, the policy shall include public liability insurance ("PLI") coverage or the seller shall notify the buyer that the motor vehicle is not covered by PLI.

After the change, s. 218.0143(1) indicates that whenever insurance coverage is included on a retail installment contract, the policy issued shall include PLI coverage, and s. 218.0143(2) indicates that that whenever insurance coverage is not included on a retail installment contract, the seller needs to notify the buyer that the vehicle is not covered by PLI. These provisions are contradictory and misleading.



Previously Proposed Revisions

Changes that have been submitted in previous sessions and are being resubmitted for consideration at this time include:


- 1) Repeal s. 186.35, eliminating the Wisconsin Credit Union Savings Insurance Corporation. The corporation was dissolved at a special meeting of the Board of Trustees and Members on May 8, 1999. 2001 SB 450
- 2) Add Mortgage Banking and Non-depository Small Business Administration (SBA) Lenders to s. 220.02. 2001 SB 807
- 3) Trust Service Offices – Eliminate the language “in this state” in ss. 221.0316 (4) and 223.07 (1). When changes were made to these sections in the 1995-96 session, an oversight occurred by not adopting language permitting Wisconsin financial institutions to establish Trust Service Offices at a bank or branch location outside of Wisconsin. 2001 SB 807  
Also replace “the state or national bank” with “depository institutions, as defined in s. 221.0901 (2)(i).”
- 4) Sellers of Checks – Eliminate the “telegraph company” exemption under s. 217.02 (9). It is our understanding that this type of entity no longer exists. 2001 SB 807
- 5) Collection Agencies – Eliminate the term “professional men’s associations” from s. 218.04 (1)(a). This is an antiquated term that no longer needs to be specifically exempted from the “collection agency” definition. 2001 SB 807
- 6) Free Credit Balances – Amend s. 224.02 to eliminate the antiquated language that specifies the criteria with which an “agent for investment” must comply in order to pay interest on free credit balances. This will provide a clear exemption from the statutory definition of “the business of banking” and allow an “agent for investment” to pay interest on these balances to their clients. 2001 SB 807
- 7) Revocation and Suspension of Securities Licenses – amend s. 551.63 (2) to exclude the actions required to be taken by the Division of Securities against licensees for delinquency in paying either child support or state taxes, from the general standard required for Division actions. 2001 SB 807
- 8) Franchise Registration Statements – Amend s. 553.26 (4m) to clarify that once a person has registered a franchise, the person is not required to file any additional information except amendments that reflect material changes to the registration statement.

Amend s. 553.31 (2) to clarify that any amendment filed with the Division of Securities after the effective date of a registration for the sale of a franchise is effective upon receipt of the amendment.

2001  
SB 807

- 9) Pawnbrokers – Create a blanket exemption in s. 138.10 for pawnbrokers licensed by DFI and remove the reference to rule-making authority from s. 138.10 and place it, more properly, within s. 138.09. 2001 SB 807
- 10) Service Corporations – Amend s. 180.1911 to allow minority ownership by non-CPAs in CPA firms. This omission was an oversight in 2001 Assembly Bill 345. 2003 LRB-2416/2

Sincerely,



Kathryn Carlson  
Executive Assistant

cc: Secretary Lorrie Keating Heinemann

D-NOTE

- 1026/PI

2001 SENATE BILL 450

LPS:  
Please  
PNF

RM NOT  
RUN

February 20, 2002 - Introduced by LAW REVISION COMMITTEE. Referred to Committee on Privacy, Electronic Commerce and Financial Institutions.

Re  
gen cart

- 1 AN ACT ~~to repeal~~ 186.35, and ~~to amend~~ 34.07, 34.08 (2), 186.082 (1) (b), 186.086
- 2 (1) (b), 186.093 (1), 186.314 (4), 231.17, 445.125 (1) (b) and 880.04 (2) (a) of the
- 3 ~~statutes; relating to:~~ eliminating the Wisconsin credit union savings
- 4 insurance corporation (suggested as remedial legislation by the department of
- 5 financial institutions).

**Analysis by the Legislative Reference Bureau**

Current law provides for the organization and operation of the Wisconsin Credit Union Savings Insurance Corporation, which was organized for the purpose of insuring the deposit accounts of a credit union. The deposit accounts of all Wisconsin credit unions, however, are currently insured through the national credit union share insurance fund. The Wisconsin Credit Union Savings Insurance Corporation no longer exists. With certain limited exceptions, the bill removes the provisions in current law relating to the Wisconsin Credit Union Savings Insurance Corporation.

For further information, see the NOTES provided by the law revision committee of the joint legislative council.

**SENATE BILL 450**

For further information see the ~~state~~ fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

INSERT  
2-6

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the department of financial institutions and introduced by the law revision committee under s. 13.83 (1) (c) 4., stats. After careful consideration of the various provisions of the bill, the law revision committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

SECTION 1. 34.07 of the statutes is amended to read:

**34.07 Security.** A surety bond or other security may be required of or given by any public depository for any public deposits that exceed the amount of deposit insurance provided by an agency of the United States ~~or by the Wisconsin credit union savings insurance corporation~~ and the coverage provided under s. 34.08 (2).

SECTION 2. 34.08 (2) of the statutes is amended to read:

34.08 (2) Payments under sub. (1) shall be made in the order in which satisfactory proofs of loss are received by the division of banking. The payment made to any public depositor for all losses of the public depositor in any individual public depository may not exceed \$400,000 above the amount of deposit insurance provided by an agency of the United States ~~or by the Wisconsin Credit Union Savings Insurance Corporation~~ at the public depository ~~which~~ that experienced the loss. Upon a satisfactory proof of loss, the division of banking shall direct the department of administration to draw its warrant payable from the appropriation under s. 20.144 (1) (a) and the state treasurer shall pay the warrant under s. 14.58 (4) in favor of the public depositor that has submitted the proof of loss.

SECTION 3. 186.082 (1) (b) of the statutes is amended to read:

## SENATE BILL 450

INSERT 3-2 ✓

1 186.082 (1) (b) The Wisconsin credit union savings insurance corporation  
2 organized under s. 186.35, ~~1999~~ stats. 2003

3 SECTION 4. 186.086 (1) (b) of the statutes is amended to read:

4 186.086 (1) (b) If the credit union was incorporated before June 13, 1987, by  
5 an amendment to the articles of incorporation which becomes effective on or after  
6 June 13, 1987, as provided in s. 186.02 (4) (a) or under s. 186.35 (1), on or after June  
7 13, 1987 ~~1999~~ stats., or s. 186.02 (4) (a). 2003 INSERT 3-11 ✓

8 SECTION 5. 186.093 (1) of the statutes is amended to read:

9 186.093 (1) "Credit union" means a cooperative, nonprofit corporation  
10 incorporated under s. 186.02 and the Wisconsin credit union savings insurance  
11 corporation organized under s. 186.35, ~~1999~~ stats. 2003

12 SECTION 6. 186.314 (4) of the statutes is amended to read:

13 186.314 (4) Upon ceasing to be a state credit union, the credit union shall no  
14 longer be subject to this chapter. The successor federal credit union shall be vested  
15 with all the assets and shall continue to be responsible for all of the obligations of the  
16 state credit union, ~~including annual and special assessments levied under s. 186.35~~  
17 ~~(5) (d) prior to the date a copy of the federal credit union charter is filed with the office~~  
18 ~~of credit unions~~, to the same extent as though the conversion had not taken place.

19 SECTION 7. 186.35 of the statutes is repealed.

20 Please Fix Comp. SECTION 8. 231.17 of the statutes, as affected by 2001 Wisconsin Act 30, is  
21 amended to read:

22 **231.17 Investment of funds.** The authority may invest any funds in bonds,  
23 notes, certificates of indebtedness, treasury bills, or other securities constituting  
24 direct obligations of, or obligations the principal and interest of which are  
25 guaranteed by, the United States; in those certificates of deposit or time deposits

## SENATE BILL 450

## SECTION 8

INSERT 4-9 ✓

1 constituting direct obligations of any bank that are insured by the federal deposit  
2 insurance corporation; in certificates of deposit constituting direct obligations of any  
3 credit union that are insured by the ~~Wisconsin credit union savings insurance~~  
4 ~~corporation~~ or the national board, as defined in s. 186.01 (3m); in certificates of  
5 deposit constituting direct obligations of any savings and loan association or savings  
6 bank that are insured by the federal deposit insurance corporation; in short-term  
7 discount obligations of the federal national mortgage association; or in any of the  
8 investments provided under s. 66.0603 (1m) (a). Any such securities may be  
9 purchased at the offering or market price thereof at the time of such purchase.

10 **SECTION 9.** 445.125 (1) (b) of the statutes is amended to read:

11 445.125 (1) (b) All trust funds under par. (a) shall be deposited with a bank or  
12 trust company within the state whose deposits are insured by the federal deposit  
13 insurance corporation, deposited in a savings and loan association or savings bank  
14 within the state whose deposits are insured by the federal deposit insurance  
15 corporation or invested in a credit union within the state whose savings are insured  
16 by the national board, as defined in s. 186.01 (3m), ~~or by the Wisconsin credit union~~  
17 ~~savings insurance corporation~~ and shall be held in a separate account in the name  
18 of the depositor, in trust for the beneficiary until the trust fund is released under  
19 either of the conditions provided in par. (a) 1. In the event of the death of the  
20 depositor before the death of the potential decedent, title to such funds shall vest in  
21 the potential decedent, and the funds shall be used for the personal property and  
22 services to be furnished under the contract for the funeral of the potential decedent.  
23 The depositor shall be furnished with a copy of the receipts, certificates or other  
24 appropriate documentary evidence showing that the funds have been deposited or  
25 invested in accordance with this subsection. The depositor or the beneficiary shall

**SENATE BILL 450**

1 furnish the bank, trust company, savings bank, savings and loan association or credit  
2 union with a copy of the contract. Upon receipt of a certified copy of the certificate  
3 of death of the potential decedent, together with the written statement of the  
4 beneficiary that the agreement was complied with, the bank, trust company, savings  
5 bank, savings and loan association or credit union shall release such trust funds to  
6 the beneficiary.

7 **SECTION 10.** 880.04 (2) (a) of the statutes is amended to read:

8 880.04 (2) (a) Deposit in a savings account in a bank, the payment of whose  
9 accounts in cash immediately upon default of the bank are insured by the federal  
10 deposit insurance corporation; deposit in a savings account in a savings bank or a  
11 savings and loan association that has its deposits insured by the federal deposit  
12 insurance corporation; deposit in a savings account in a credit union having its  
13 deposits guaranteed by the ~~Wisconsin credit union savings insurance corporation or~~  
14 ~~by the national board, as defined in s. 186.01 (3m); or invest in interest-bearing~~  
15 obligations of the United States. The fee for the clerk's services in depositing and  
16 disbursing the funds under this paragraph is prescribed in s. 814.61 (12) (a).

NOTE: Current law provides for the organization and operation of the Wisconsin Credit Union Savings Insurance Corporation. The board was organized to insure the deposit accounts of a credit union. The deposit accounts of all Wisconsin credit unions, however, are currently insured through the national credit union share insurance fund. The Wisconsin Credit Union Savings Insurance Corporation no longer exists. SECTIONS 1 through 10 delete references to the Wisconsin Credit Union Savings Insurance Corporation.

**2005-2006 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1028/Plins  
MDK:.....

**INSERT 2-6:**

**SECTION ~~1~~ 34.08** (2) of the statutes is amended to read:

34.08 (2) Payments under sub. (1) shall be made in the order in which satisfactory proofs of loss are received by the division of banking. The payment made to any public depositor for all losses of the public depositor in any individual public depository may not exceed \$400,000 above the amount of deposit insurance provided by an agency of the United States ~~or by the Wisconsin Credit Union Savings Insurance Corporation~~ at the public depository which that experienced the loss. Upon a satisfactory proof of loss, the division of banking shall direct the department of administration to draw its warrant payable from the appropriation under s. 20.144 (1) (a) and the secretary of administration shall pay the warrant under s. 16.401 (4) in favor of the public depositor that has submitted the proof of loss.

History: 1985 a. 25; 1995 a. 27; 2003 a. 33.

**INSERT 3-2:**

**SECTION ~~2~~ 186.082** (2) (f) of the statutes is amended to read:

186.082 (2) (f) A natural person who ~~is or~~ was a trustee of the Wisconsin credit union savings insurance corporation organized under s. 186.35, 2003 stats.

History: 1987 a. 13; 1993 a. 112; 2003 a. 139.

**INSERT 3-11:**

**SECTION ~~3~~ 186.093** (2) of the statutes is amended to read:

186.093 (2) "Director or officer" means a natural person who serves as a director or officer of a credit union, a member of a credit union's credit committee, or a natural person who was a trustee of the Wisconsin credit union savings insurance corporation organized under s. 186.35, 2003 stats.

History: 1987 a. 13.



**INSERT 4-9:**

**SECTION 4,** 445.125 (1) (b) 1. of the statutes is amended to read:

445.125 (1) (b) 1. All trust funds under par. (a) shall be deposited with a bank or trust company within the state whose deposits are insured by the federal deposit insurance corporation, deposited in a savings and loan association or savings bank within the state whose deposits are insured by the federal deposit insurance corporation, or invested in a credit union within the state whose savings are insured by the national board, as defined in s. 186.01 (3m), ~~or by the Wisconsin credit union savings insurance corporation~~ and shall be held in a separate account in the name of the depositor, in trust for the beneficiary until the trust fund is released under either of the conditions provided in par. (a) 1.

**History:** 1973 c. 227; 1977 c. 40; 1979 c. 175 s. 29; 1979 c. 221 s. 662; Stats. 1979 s. 445.125; 1981 c. 64; 1983 a. 448, 485, 538; 1985 a. 29; 1989 a. 307; 1991 a. 39, 221; 1995 a. 295; 1999 a. 9; 2001 a. 16; 2003 a. 167.

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1028/P1dn  
MDK:.....

Nick Zavos:

This is a redraft of 2001 SB 450. DFI request from last session. The draft corresponds to item 1 of the "Previously Proposed Revisions" in DFI's letter of November 4, 2004.

Please contact me if you want to make any changes to the NOTES included in the draft.

Mark D. Kunkel  
Senior Legislative Attorney  
Phone: (608) 266-0131  
E-mail: [mark.kunkel@legis.state.wi.us](mailto:mark.kunkel@legis.state.wi.us)

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1028/P1dn  
MDK:wljjf

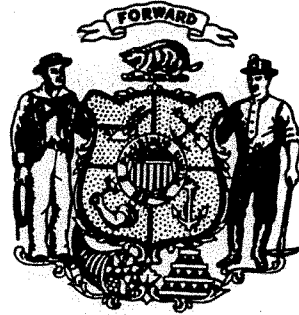
January 25, 2005

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Please contact me if you want to make any changes to the NOTES included in the draft.

Mark D. Kunkel  
Senior Legislative Attorney  
Phone: (608) 266-0131  
E-mail: [mark.kunkel@legis.state.wi.us](mailto:mark.kunkel@legis.state.wi.us)



12-23-05

**We thought you might be  
interested in the attached  
material.**

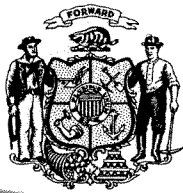
*H. Mark*

*Could you  
please do this  
as a 1028/1 and  
have it jacketed  
as a Senate bill?*

*Thanks!*

*Jane Rose*

**Wisconsin Legislative Council  
One East Main Street Suite 401  
P.O. Box 2536  
Madison, WI 53701-2536  
(608) 266-1304  
Fax No. (608) 266-3830**



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-1028/P1

MDK:wlj:jf

1

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

RM  
has  
been  
run

Reger

- 1 AN ACT *to repeal* 186.35; and *to amend* 34.07, 34.08 (2), 186.082 (1) (b), 186.082  
2 (2) (f), 186.086 (1) (b), 186.093 (1), 186.093 (2), 186.314 (4), 231.17, 445.125 (1)  
3 (b) 1. and 880.04 (2) (a) of the statutes; **relating to:** eliminating the Wisconsin  
4 credit union savings insurance corporation (suggested as remedial legislation  
5 by the Department of Financial Institutions).

---

***Analysis by the Legislative Reference Bureau***

Current law provides for the organization and operation of the Wisconsin Credit Union Savings Insurance Corporation, which was organized for the purpose of insuring the deposit accounts of a credit union. The deposit accounts of all Wisconsin credit unions, however, are currently insured through the national credit union share insurance fund. The Wisconsin Credit Union Savings Insurance Corporation no longer exists. With certain limited exceptions, the bill removes the provisions in current law relating to the Wisconsin Credit Union Savings Insurance Corporation.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the department of financial institutions and introduced by the law revision committee under s. 13.83 (1) (c) 4., stats. After careful consideration of the various provisions of the bill, the law revision committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

1       **SECTION 1.** 34.07 of the statutes is amended to read:

2       **34.07 Security.** A surety bond or other security may be required of or given  
3 by any public depository for any public deposits that exceed the amount of deposit  
4 insurance provided by an agency of the United States ~~or by the Wisconsin credit~~  
5 ~~union savings insurance corporation~~ and the coverage provided under s. 34.08 (2).

6       **SECTION 2.** 34.08 (2) of the statutes is amended to read:

7       **34.08 (2)** Payments under sub. (1) shall be made in the order in which  
8 satisfactory proofs of loss are received by the division of banking. The payment made  
9 to any public depositor for all losses of the public depositor in any individual public  
10 depository may not exceed \$400,000 above the amount of deposit insurance provided  
11 by an agency of the United States ~~or by the Wisconsin Credit Union Savings~~  
12 ~~Insurance Corporation~~ at the public depository which that experienced the loss.  
13 Upon a satisfactory proof of loss, the division of banking shall direct the department  
14 of administration to draw its warrant payable from the appropriation under s. 20.144  
15 (1) (a) and the secretary of administration shall pay the warrant under s. 16.401 (4)  
16 in favor of the public depositor that has submitted the proof of loss.

17       **SECTION 3.** 186.082 (1) (b) of the statutes is amended to read:

18       **186.082 (1) (b)** The Wisconsin credit union savings insurance corporation  
19 organized under s. 186.35, 2003 stats.

20       **SECTION 4.** 186.082 (2) (f) of the statutes is amended to read:

21       **186.082 (2) (f)** A natural person who is ~~or~~ was a trustee of the Wisconsin credit  
22 union savings insurance corporation organized under s. 186.35, 2003 stats.

1           **SECTION 5.** 186.086 (1) (b) of the statutes is amended to read:

2           186.086 (1) (b) If the credit union was incorporated before June 13, 1987, by  
3           an amendment to the articles of incorporation which becomes effective on or after  
4           June 13, 1987, as provided in ~~s. 186.02 (4) (a) or under s. 186.35 (1), on or after June~~  
5           ~~13, 1987~~ 2003 stats., or s. 186.02 (4) (a).

6           **SECTION 6.** 186.093 (1) of the statutes is amended to read:

7           186.093 (1) “Credit union” means a cooperative, nonprofit corporation  
8           incorporated under s. 186.02 and the Wisconsin credit union savings insurance  
9           corporation organized under s. 186.35, 2003 stats.

10          **SECTION 7.** 186.093 (2) of the statutes is amended to read:

11          186.093 (2) “Director or officer” means a natural person who serves as a  
12          director or officer of a credit union, a member of a credit union’s credit committee, or  
13          a natural person who was a trustee of the Wisconsin credit union savings insurance  
14          corporation organized under s. 186.35, 2003 stats.

15          **SECTION 8.** 186.314 (4) of the statutes is amended to read:

16          186.314 (4) Upon ceasing to be a state credit union, the credit union shall no  
17          longer be subject to this chapter. The successor federal credit union shall be vested  
18          with all the assets and shall continue to be responsible for all of the obligations of the  
19          state credit union, ~~including annual and special assessments levied under s. 186.35~~  
20          ~~(5) (d) prior to the date a copy of the federal credit union charter is filed with the office~~  
21          ~~of credit unions,~~ to the same extent as though the conversion had not taken place.

22          **SECTION 9.** 186.35 of the statutes is repealed.

23          **SECTION 10.** 231.17 of the statutes is amended to read:

24          **231.17 Investment of funds.** The authority may invest any funds in bonds,  
25          notes, certificates of indebtedness, treasury bills, or other securities constituting

1 direct obligations of, or obligations the principal and interest of which are  
2 guaranteed by, the United States; in those certificates of deposit or time deposits  
3 constituting direct obligations of any bank that are insured by the federal deposit  
4 insurance corporation; in certificates of deposit constituting direct obligations of any  
5 credit union that are insured by the ~~Wisconsin credit union savings insurance~~  
6 ~~corporation~~ or the national board, as defined in s. 186.01 (3m); in certificates of  
7 deposit constituting direct obligations of any savings and loan association or savings  
8 bank that are insured by the federal deposit insurance corporation; in short-term  
9 discount obligations of the federal national mortgage association; or in any of the  
10 investments provided under s. 66.0603 (1m) (a). Any such securities may be  
11 purchased at the offering or market price thereof at the time of such purchase.

12 **SECTION 11.** 445.125 (1) (b) 1. of the statutes is amended to read:

13 445.125 (1) (b) 1. All trust funds under par. (a) shall be deposited with a bank  
14 or trust company within the state whose deposits are insured by the federal deposit  
15 insurance corporation, deposited in a savings and loan association or savings bank  
16 within the state whose deposits are insured by the federal deposit insurance  
17 corporation, or invested in a credit union within the state whose savings are insured  
18 by the national board, as defined in s. 186.01 (3m), ~~or by the Wisconsin credit union~~  
19 ~~savings insurance corporation~~ and shall be held in a separate account in the name  
20 of the depositor, in trust for the beneficiary until the trust fund is released under  
21 either of the conditions provided in par. (a) 1.

22 **SECTION 12.** 880.04 (2) (a) of the statutes is amended to read:

23 880.04 (2) (a) Deposit in a savings account in a bank, the payment of whose  
24 accounts in cash immediately upon default of the bank are insured by the federal  
25 deposit insurance corporation; deposit in a savings account in a savings bank or a



1 savings and loan association that has its deposits insured by the federal deposit  
2 insurance corporation; deposit in a savings account in a credit union having its  
3 deposits guaranteed by the ~~Wisconsin credit union savings insurance corporation or~~  
4 by the national board, as defined in s. 186.01 (3m); or invest in interest-bearing  
5 obligations of the United States. The fee for the clerk's services in depositing and  
6 disbursing the funds under this paragraph is prescribed in s. 814.61 (12) (a).

NOTE: Current law provides for the organization and operation of the Wisconsin Credit Union Savings Insurance Corporation. The board was organized to insure the deposit accounts of a credit union. The deposit accounts of all Wisconsin credit unions, however, are currently insured through the national credit union share insurance fund. The Wisconsin Credit Union Savings Insurance Corporation no longer exists. SECTIONS 1 through 12 delete references to the Wisconsin Credit Union Savings Insurance Corporation.

7 (END)